

Work Session

Agenda Item #	7 and 8
Meeting Date	May 23, 2005
Prepared By	Barbara B. Matthews City Manager
Approved By	

Discussion Item	Proposed Budget for FY06
Background	<p>The City's new fiscal year will commence on July 1, 2005. In accordance with Article VIII of the Charter of the City of Takoma Park, the City Manager has prepared a proposed budget for consideration by the City Council.</p> <p>The proposed budget for FY06 accounts for the City's financial activities in four major funds or fiscal entities. They are the General Fund, the Storm Water Management Fund, the Special Revenue Funds, and the Community Center Fund.</p> <p>The City Council will hold a series of work sessions to discuss the proposed budget. The work session on May 23 will focus on the Library. The City Manager, in consultation with the Library Director, has identified a number of issues for discussion during the work session. These issues are addressed under separate cover.</p> <p>A preliminary budget reconciliation will also take place. This time has been set aside for the City Council to discuss any suggested modifications to the proposed budget.</p> <p>Since submission of the proposed budget, staff has identified several areas where an adjustment in General Fund revenues is warranted based on further review or new information. Staff proposes that fund revenues be increased by \$110,625.</p> <p>As indicated during the discussion of the proposed budget for the Police Department on May 16, 2005, certain costs (including overtime for training and pay allowances for vehicles and uniforms) have historically been accounted for in the Office of the Chief. In actuality, the majority of these costs are attributable to activities in other departmental divisions. The City Manager recommends that the proposed budget be amended to reflect the proper distribution of operational costs.</p> <p>Furthermore, the proposed budget for FY06 includes \$149,000 for rental housing inspections by Montgomery County. After submission of the proposed budget to the City Council, Montgomery County advised the City that the fee for FY06 would be \$161,230. The need for additional monies for vehicle and uniform allowances for the Police Department was also identified since submission of the proposed budget. The net impact of these items is \$46,930.</p> <p>Staff has prepared a preliminary reconciliation sheet reflecting the aforementioned changes in the proposed budget.</p>
Policy	<p>In accordance with Article VIII of the Charter of the City of Takoma Park, the City Manager is charged with submission of a proposed budget for consideration of the City Council. Before adoption of the budget, the City Council shall hold at least one public hearing.</p>

Fiscal Impact	The City Manager's proposed budget for FY06 provides for total expenditures of \$20,078,016. General Fund expenditures total \$16,987,226. Combined expenditures for the other funds (Storm Water Management, Special Revenue, and Community Center) equal \$3,090,790.
Attachments	<p>Staff previously provided the City Council with a binder containing information related to the FY06 proposed budget. The information contained therein will be discussed at the work session. Staff requests that Councilmembers bring their binders with them to the work session.</p> <p>New documents being provided to the City Council include the following:</p> <ul style="list-style-type: none"> • Library Budget at a Glance • Memo dated May 19, 2005 from Library Director Ellen Arnold-Robbins regarding budgetary and operational issues • Preliminary budget reconciliation dated May 19, 2005
Recommendation	Staff recommends that the City Council discuss the aforementioned budgetary items and provide direction to the City Manager relative to the proposed budget for the Library and any previously discussed budgetary areas.

LIBRARY BUDGET AT A GLANCE

- ❖ Budget includes Computer Learning Center activities other than Media Room
- ❖ Budget breakdown (\$866,172)
 - Personnel costs = 81.1%
 - Supplies = 16.0%
 - Services and charges = 2.3%
 - Miscellaneous = 0.6%
- ❖ Overall budget increase of \$48,406 or 5.9% compared to FY05
- ❖ Primary areas of cost increase
 - Personnel costs = \$38,079
 - Computer supplies = \$3,956
 - Reference materials = \$2,247
 - Books = \$1,641
 - Program and outreach = \$1,200
- ❖ No change in FTE count

MEMORANDUM

TO: City Council

VIA: Barbara B. Matthews
City Manager

FROM: Ellen Arnold-Robbins
Library Director

DATE: May 19, 2005

SUBJECT: FY06 Proposed Budget - Library

This memorandum provides some supplemental information that may be useful to the Council in the consideration of the Library's proposed FY06 Budget.

Computer Learning Center

The Council has already been appraised in some detail of the Library's plans for two rooms of the Computer Learning Center, and its future role in their management. This expansion of responsibility is a significant change for the Library in FY06. While it will significantly affect the work of some staff, we anticipate that our involvement with and proximity to the new community center will expand and revitalize Library use, and we look forward to its completion.

TASDI Report on the Library

The Completed report recommended the exploration of whether 'significant savings' could be realized by offering specialized rather than general services at the Library, and the launching of a fund-raising initiative in cooperation with the Friends and other supporters.

1. The following information may be relevant in considering the potential transformation of the Takoma Park Library into one that serves only some segments of the local community:

*At present we serve a multiplicity of users - children, immigrant learners, college students, parents and care-givers, retired citizens, avid readers of all ages, families and school classes.

*These patrons visit us for the broad spectrum of materials they would seek out at any public library. The existence of the City Library allows them to find those materials and services at a convenient location.

*42% of the books checked out in FY 04 were from the adult collection, while 58% were children's books.

*Currently the Library has 13,858 adult cardholders (18 or older - active and inactive) and 4,893 juvenile cardholders.

*Children use the Library during all operating hours. While use by elementary age children may be perceived as heaviest after school, the parents of preschoolers and teachers with classes tend to bring their children in the mornings or early afternoons, and high school or college students often come in the evening.

*Children who come to the Library for homework and research assignments do not use children's books exclusively. They also depend on general (adult) periodicals, newspapers and reference books and adult nonfiction to complete assignments.

*The above facts are intended to exemplify that it is difficult, if not impossible, to circumscribe the materials and service hours that address the needs of any particular group of Library users, unless that group is very narrowly construed.

2. The following supplemental information is offered regarding the level and extent of past fund-raising activities of the Friends of the Library:

* The Friends of the Takoma Park Maryland Library are a committed and energetic group of supporters that have given the Library \$51,430 in goods and services over a ten year period - from 1994 through 2004 - that is an average of \$5,143 per year. Their funds are raised through memberships, used book sales and silent auctions at special events. They have also been the recipient of donations by some individuals and by other groups, such as the Takoma Horticulture Club, Historic Takoma, and the friends of Mike Morrissey, who donate proceeds of an annual golf tournament to the Library through the Friends.

* In recent years they have donated all our new Useful public computer workstations, funding for our Summer Quest summer reading program, a server upgrade that enabled our catalog to be put on the Web, several thousand lanyards for children's Library cards, textbooks for ESOL learners, online databases for cardholders such as the Electric Library, support for the Film Festival and the Favorite Poem evening and innumerable storytellers and performers for public programs at the Library.

* Over the past several years, the Friends have contributed the following in gifts to the Library:

2004 - \$8,987
2003 - \$3,914
2002 - \$4,972
2001 - \$5,705
2000 - \$4,764
1999 - \$5,905

The Friends are invaluable in promoting and extending the Library's role in the Takoma Park Community through author readings and other literary events, as well as fund-raising. Whether their 12-member Board would or could undertake a major fund-raising campaign to help meet the Library's operating expenses is a matter that has yet to be put forward for their consideration.

**PROPOSED FY06 BUDGET
GENERAL FUND EXPENDITURES
PRELIMINARY RECONCILIATION
MAY 19, 2005**

<u>Department</u>	<u>Division</u>	<u>Budget Unit</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Variance</u>
Housing & Comm. Dev.	Code Enforcement	Services and Charges	149,000	161,230	12,230
Police	Office of the Chief	Personnel Costs	361,137	227,437	(133,700)
Police	Office of the Chief	Supplies	12,500	14,500	2,000
Police	Communications	Personnel Costs	358,092	361,492	3,400
Police	Operations	Personnel Costs	2,608,609	2,754,709	146,100
Police	Operations	Services and Charges	0	2,000	2,000
Police	Criminal Investigations	Personnel Costs	630,655	646,155	15,500
Police	Criminal Investigations	Services and Charges	2,500	500	(2,000)
Police	Admin. Services	Personnel Costs	496,588	499,988	3,400
Police	Admin. Services	Supplies	35,500	33,500	(2,000)
Total--Expenditures					\$46,930

**PROPOSED FY06 BUDGET
GENERAL FUND REVENUES
PRELIMINARY RECONCILIATION
MAY 19, 2005**

<u>Fund</u>	<u>Revenue Source</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Variance</u>
General Fund	Hotel-Motel Tax	55,000	65,000	10,000
General Fund	Police Protection (State)	388,375	450,000	61,625
General Fund	MC Grant--Day Laborer Site	0	39,000	39,000
Total--Revenues				\$110,625